

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	
2018 Quadrennial Regulatory Review –	)	
Review of the Commission’s Broadcast	)	
Ownership Rules and Other Rules Adopted	)	MB Docket No. 18-349
Pursuant to Section 202 of the	)	
Telecommunications Act of 1996	)	
To: The Commission	)	

**COMMENTS OF RENO MEDIA GROUP**

Reno Media Group, L.P. and Americom Limited Partnership (“Reno Media Group”), commonly owned and controlled companies which are collectively licensed to operate four FM and two AM radio broadcast stations in the Reno, Nevada market, by their attorneys, hereby provide the following comments on the Federal Communications Commission’s (“FCC” or “Commission”) Notice of Proposed Rulemaking, FCC 18-179, released December 18, 2018 in the above-captioned proceeding (the “Quadrennial NPRM”).

The Quadrennial NPRM initiated a comprehensive, Congressionally-mandated review of certain FCC broadcast regulations, including but not limited to the multiple ownership rules governing the radio industry (the “Radio Multiple Ownership Rules”). These comments focus on the need for changes in the Radio Multiple Ownership Rules, and propose two specific alternative rule modifications.

By way of background, Reno Media Group’s origins in the Reno radio market date to its acquisition in 1982 of a single FM station in the market, KODS(FM), Carnelian Bay, California.

Reno Media Group's continued presence in the market is the result of steady expansion of what has become its station cluster over time. It now stands within one AM station of being "maxed out" on the number of stations it is permitted to own under the Radio Multiple Ownership Rules.<sup>1</sup> Reno Media Group's consistent business plan over the decades has been to provide local listeners with a robust programming mix, including diverse formats that include live morning shows and real time coverage of local events and emergencies. Reno Media Group has long been proactive in a variety of ways in the Reno community, from participation in charity events to remote broadcasts in partnership with local businesses. Reno Media Group would like to continue to grow its cluster of radio stations in the Reno market and thereby further expand the service it provides the public, but it currently finds itself blocked in substantial and material ways from doing so by the Radio Multiple Ownership Rules. Impactful change, as outlined below, is therefore needed, and respectfully sought.

Reno Media Group is confident that the cumulative weight of the overall record in this proceeding will amply and cogently explain the many reasons why the time is ripe for substantial modifications to the Radio Multiple Ownership Rules. Put simply, the audio marketplace in this country has irrevocably changed while the Radio Multiple Ownership Rules have stood still, to the unilateral detriment of broadcasters' ability to compete. For example, the advertising market that existed at the time the current Radio Multiple Ownership Rules were adopted bears little to no resemblance to that market today. The advent of online advertising competition in the form of mammoth companies like Facebook and Google has radically reshaped the contours of the ad market in which Reno Media Group account executives must compete every day. Similarly, the

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<sup>1</sup> Because the Reno market has more than 30 but fewer than 45 radio stations, Reno Media Group is permitted under the Radio Multiple Ownership Rules to own up to seven stations in the market, no more than four of which may be in the same service (AM or FM). *See* 47 C.F.R. § 73.3555(a)(1)(ii).

number of audio sources to which consumers may turn has substantially expanded, now encompassing, *inter alia*, satellite radio monolith Sirius/XM, myriad Internet streaming options like Spotify and Pandora, and ubiquitous podcasts coursing through omnipresent earbuds. In this sea of competition, radio finds itself singled out for application of the artificial restrictions that take the form of the Radio Multiple Ownership Rules.

Against this backdrop, Reno Media Group requests that the Commission implement substantial changes in this area. Reno Media Group makes two specific alternative suggestions in this regard.

First, Reno Media Group suggests that the Commission adopt the June 15, 2018 proposal of the National Association of Broadcasters in this docket, cited in footnote 57 of the Quadrennial NPRM.<sup>2</sup> Pursuant to that proposal, which Reno Media Group finds to be a reasoned response to the profound audio industry changes only cursorily reviewed above: (i) radio broadcasters operating in the top 75 markets would be permitted to own up to eight FM stations in each such market (or ten FMs if they participated in the FCC's incubator program) and an unlimited number of AM radio stations; and (ii) broadcasters in markets below 75 would have no ownership limits in those markets.<sup>3</sup>

In the alternative, if for any reason the FCC decides not to adopt the NAB proposal, Reno Media Group urges that the needed revision to the Radio Multiple Ownership Rules should take the form of elimination of both the AM/FM subcaps and the radio market tiers, leaving in their stead a universally applicable limit of eight radio stations per market, no matter the market's

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<sup>2</sup> See Quadrennial NPRM at n. 57, citing Letter from Rick Kaplan et al., Legal and Regulatory Affairs, NAB, to Michelle Carey, Chief, Media Bureau, FCC, at 1-4 (filed June 15, 2018).

<sup>3</sup> See Quadrennial NPRM at ¶ 13.

size.<sup>4</sup> Adoption of this new bright line standard would fall well within the agency's discretion and expertise, especially in this type of line-drawing exercise that balances competing considerations. Under this approach, no single owner in medium and large markets would be able to dominate the *broadcast* portion of the radically altered larger audio marketplace (the medium-sized Reno market, for example, has more than 40 radio stations), while competitive handcuffs would be removed from those broadcasters (like Reno Media Group) who wish to have a fair chance to continue to compete in that overall marketplace.<sup>5</sup>

### CONCLUSION

For the reasons stated above, Reno Media Group requests that the Commission take one of the two courses of action described above concerning the Radio Multiple Ownership Rules.

Respectfully submitted,

Reno Media Group, L.P. and Americom Limited Partnership.

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<sup>4</sup> The eight station limit would effectively codify for all markets the current limit for the largest markets, without the AM/FM subcaps (see 47 C.F.R. § 73.3555(a)(1)(i)).

<sup>5</sup> This approach would also have the collateral benefit of simplifying the current system by which market size is determined, which now varies based on whether a market is rated by Nielsen. If it is, BIA's market station count employing Nielsen data is used. If not, the contour overlap method is used. In the case of markets like Reno, if subscribing stations were to cancel their Nielsen contracts, Nielsen would stop surveying the market, causing a default to the contour overlap method. In that scenario, in Reno, the number of stations in the market would suddenly increase to allow an individual owner to own eight stations (five FM and three AM) rather than the seven (four FM and three AM) allowed using the Nielsen/BIA approach.